

Fund Source Report

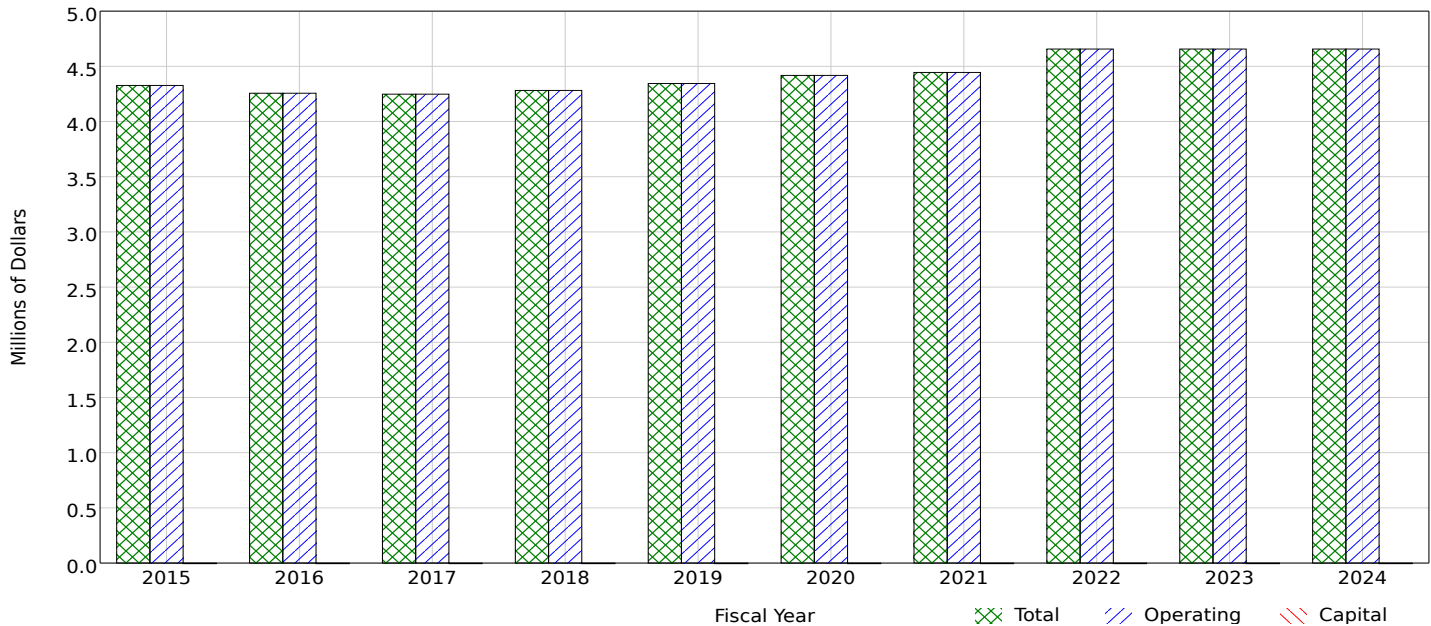
1036

Cm Fish Ln

Commercial Fishing Loan Fund

Year Authorized 1972 Year Repealed Active? Yes Mental Health? No Duplicated? No Fund Group Designated General

Operating and Capital Appropriations



Legal Authority

AS 16.10.310, AS 16.10.340

Source of Revenue

Consists of money appropriated from the legislature and interest earned from repayment of loans.

Restrictions on Use

The fund is intended to make long-term, low interest loans that promote the rehabilitation of the state's fisheries, the development of a predominantly resident fishery, and the continued maintenance of commercial fishing gear and vessels. Money may be used to administer the loan program. Money surplus to lending needs may be used to make fisheries enhancement loans under AS 16.10.500-.560.

Description and History

The Commercial Fishing Revolving Loan (CFRL) program was established in SLA 1972 with an originating appropriation of \$1 million. Appropriations have been made to the fund as well as excess balances appropriated from the fund since that time.

The purpose of the CFRL program is to "promote the development of a predominantly resident fishery and the continued maintenance of commercial fishing vessels and gear for the purpose of improving the quality of Alaska seafood products." Loans are available for the purchase of limited entry permits, vessels, gear and quota shares and for upgrading vessels and gear. Loans are also available to fishers who are delinquent in the payment of their federal income tax and who face the risk of having their permits seized by the IRS. If funds are available, commercial fishing loans can be made to refinance existing loans from a commercial lender (such as a bank) to reduce a borrower's interest rate.

During the western Alaska fishing disaster of the late 1990's, many of the CFRL loans were reworked to make the payments more affordable to fishermen during this crisis.

Appropriations using this budget fund code include Commercial fishing revolving loan fund (AS 16.10.340) and the special foreclosure account (AS 16.10.342), Disposal of property acquired by default or foreclosure (AS 16.10.355), and other operating accounts established within the Commercial fishing revolving loan fund.

After FY04, the fund came under increasing pressure as a source of funding for non-lending activities, particularly in the Department of Fish and Game. The practice ended when Legislative Finance pointed out the restrictions on use of the fund.

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October 2010

The Budget Clarification Project changed the classification of this fund code--and other revolving loan funds--from "other" to "Designated General Funds." In addition to changing the fund code classification, CFRLF receipts in all allocations (except the Department Commerce, Community and Economic Development, Division of Investments) were replaced with unrestricted general funds.